

# ECONOMIC DEVELOPMENT AUTHORITY[261]

## Adopted and Filed

Pursuant to the authority of Iowa Code section 15.106A, the Economic Development Authority hereby amends Chapter 42, "Iowa Tourism Grant Program," Iowa Administrative Code.

These amendments establish new requirements for eligible applications. These new requirements limit applicants to submitting one application per fiscal year and do not allow applicants to submit applications for substantially similar projects in consecutive fiscal years. These amendments clarify application requirements and update the application scoring criteria to shift the emphasis to projects that have greater economic impact, have the ability to promote tourism industry growth, are sustainable and innovative, and have well-developed budgets. Finally, these amendments clarify eligible and ineligible expense requirements.

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 2893C** on January 18, 2017. The Authority did not receive any public comments. These amendments are identical to those published under Notice of Intended Action.

The Economic Development Authority Board adopted these amendments on March 17, 2017.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code section 15.106A.

These amendments will become effective May 17, 2017.

The following amendments are adopted.

ITEM 1. Amend rule **261—42.1(15)**, definitions of "Collaborative application," "Meetings, events and professional development," and "Project," as follows:

*"Collaborative application"* means an application in which ~~either~~ multiple partners are providing monetary support for the project ~~or multiple partners are actively participating in the project or both.~~

*"Meetings, and events and professional development"* means the acquisition of ~~or attendance at~~ regional or national tourism-related meetings and conventions; ~~or~~ execution of local festivals or similar tourism events that positively impact local and state economies; ~~or execution of local or regional tourism-related education opportunities.~~

*"Project"* means a tourism-related marketing initiative, ~~or a meeting, an or event or a professional development effort that benefits both state and local economies.~~

ITEM 2. Rescind the definition of "Rural area" in rule **261—42.1(15)**.

ITEM 3. Amend subrule 42.2(4) as follows:

**42.2(4)** ~~There are two classes of applications: (1) tourism-related marketing initiatives and (2) event-based applications, which include meetings, events or professional development efforts. An applicant may submit two applications within a class type or one application within each class type but shall not submit more than two applications one application each fiscal year. If one of the applications the application submitted by the applicant is a collaborative application, it will be included among counted as the head applicant's total number of allowed applications application for the fiscal year. An applicant shall not receive more than two awards per fiscal year.~~

ITEM 4. Adopt the following **new** subrule 42.2(5):

**42.2(5)** An applicant that has received an Iowa tourism grant award in the prior fiscal year cannot submit an application for a substantially similar project in the following fiscal year. If an applicant does submit an application for a substantially similar project in the following fiscal year, the application will be deemed ineligible.

ITEM 5. Amend paragraph **42.3(1)"b"** as follows:

*b.* The applicant shall demonstrate an amount of local match equal to at least 25 percent of the amount of grant funds to be received by the applicant under the program. The local match shall be in the form of cash. The local match must be spent on eligible expenses as described in rule 261—42.6(15).

ITEM 6. Amend subrule 42.3(2) as follows:

**42.3(2) Application requirements.** When submitting an application for grant funds under the program, an applicant shall include all of the following information:

- a. No change.
- b. A detailed description of the project, including an explanation of how the project either markets tourism in Iowa or is a tourism-related meeting, or event or professional development opportunity, and an explanation of how state funds will support the project.
- c. ~~Documentation~~ Written documentation that the grant request is consistent with the cost of implementing the project. Examples of written documentation include but are not limited to advertising rate sheets, bids, quotes, and invoices.
- d. and e. No change.
- f. A description of the applicant's plan to recognize the authority's Iowa tourism office for its investment in the project.
- g. If the applicant is an event, attraction, restaurant or lodging facility, then the applicant must provide verification that the information about the applicant has been updated at or added to the authority's Web site, www.traveliowa.com, within the 18 months preceding the application deadline. The authority may waive this requirement at its sole discretion.

ITEM 7. Amend rule 261—42.4(15) as follows:

**261—42.4(15) Application scoring and approval process.**

**42.4(1) Scoring criteria.** The authority will not review or score an application unless the application meets the requirements and deadlines of rule 261—42.3(15). An application meeting the requirements and deadlines of rule 261—42.3(15) will be given a numerical score between zero and 100. The higher an application's numerical score, the more likely it will receive funding under the program. The criteria used to score the applications and the maximum number of points that may be attributed to each criterion are as follows:

- a. ~~Project information description:~~ 15 20 points. The applicant will explain the project, the time line for its creation and implementation and how state funds will support the project. The authority will view favorably information that clearly articulates the project, sets forth a reasonable time line for the project's creation and implementation, and fully describes how state funds will be used to support the project.
- b. ~~Tourism~~ Economic impact and ability to promote tourism industry growth: 15 20 points. The authority will consider how the project supports the mission of the Iowa tourism office ~~and how the project grows state and local economies and is part of the applicant's broader marketing strategy to increase the economic impact of tourism locally and in the state of Iowa.~~ The authority will view favorably applications that are most in line with the mission of the Iowa tourism office and have the most potential to create economic growth.
- c. ~~Participation in the tourism industry:~~ 15 points. ~~The authority will view favorably applicants whose representatives are active in the tourism industry. Examples of active participation in the tourism industry include but are not limited to membership in one or more tourism regions; attendance at the Iowa tourism conference; participation in the Iowa tourism office's partnership programs (cooperative and Iowa travel guide advertising); participation in the Travel Federation of Iowa's District Leader Program; and participation in other statewide tourism-related groups such as the Iowa Group Travel Association and Iowa Destination Marketing Alliance.~~ Sustainability: 10 points. The authority will view favorably applications that illustrate capacity to implement and sustain the project upon completion.
- d. ~~Need:~~ 15 points. ~~The authority will consider the financial need of an applicant and will recognize the importance of funding projects that would not take place without assistance under the program~~ allot more points to applications that demonstrate how the applicant has exhausted other areas of funding to support the project.
- e. ~~Quality and strategy:~~ 15 points. ~~The authority will view favorably projects that are part of a broader strategy to increase tourism locally and in the state of Iowa.~~ Innovation: 20 points. The authority will consider the innovative quality of an event or marketing initiative and will view favorably

new events and new marketing initiatives or those events and marketing initiatives that are enhanced or distinctive in nature.

f. Local cash match/leveraged funds ratio: 10 points. The authority will consider the proportion of local cash match to the project's total budget and will view favorably applications with the highest ratio of local cash match to the project's total budget. Budget: 10 points. The authority will view favorably budgets that are well-developed and relevant to the project and that provide documentation of planned project expenses.

g. Collaboration: 5 points. The authority will view favorably applications that either represent a collaboration of multiple entities or show the benefit of the project to multiple entities within the tourism industry, or both.

h. Iowa tourism office recognition: 5 points. Applicants may determine the most appropriate way to recognize the authority's Iowa tourism office for its investment in the project. The authority will view favorably applicants with a well-developed plan to recognize the Iowa tourism office.

i. Population diversity: 5 points. Applications from an applicant based in a rural area, as defined in rule 261—42.1(15), will receive 5 points. Applications from applicants not based in a rural area will receive zero points. If the application is a collaborative application, population diversity will be based on the community of the head applicant.

**42.4(2) Approval process.** The director of the authority will establish a review committee consisting of members of the individuals affiliated with the Iowa tourism industry. The committee will score all completed applications in accordance with the criteria described in rules 261—42.3(15) and 261—42.4(15) and will use those scores to determine successful applicants. The committee may recommend partial funding of any or all applicants. If, after initially scoring all of the completed applications, the review committee is not able to allocate all the funds available, the authority may allow one or more additional rounds of applications to be submitted and scored. ~~Before the execution of contracts, the authority will provide an award letter for each successful applicant to indicate the applicant's acceptance or rejection of the recommended award amount.~~ If any awards are rejected, the authority may allow one or more additional rounds of applications to be submitted and scored. For each additional round of applications, the authority will follow the same eligibility requirements and use the same scoring criteria as used in earlier rounds. The authority may accept as many rounds of applications for awards as it deems appropriate.

ITEM 8. Amend subrules 42.6(1) to 42.6(3) as follows:

**42.6(1) General.** Each grantee shall at all times incur expenses and be reimbursed for such expenses by the authority only as described in this chapter or in a contract executed hereunder. The authority may deny reimbursement for any expenditure not directly related to the implementation of a tourism-related marketing ~~project or a~~ initiative, meeting, ~~an or~~ event or a professional development project.

**42.6(2) Eligible expenses.** Only expenditures directly related to the implementation of a tourism-related marketing ~~project or a~~ initiative, meeting, ~~an or~~ event or a professional development ~~project~~ will be reimbursed under the program. Examples of eligible expenses include the following:

a. The costs associated with all phases of the execution of marketing tactics and strategies, including planning and design and production of tools such as advertising, print materials, digital tools and exhibits for consumer-focused tradeshows.

~~b. The cost to register for a tourism-related regional or national conference.~~

~~c. The costs associated with producing or hosting a meeting or training that shares best practices or otherwise provides tourism-related education, including but not limited to payments to speakers, payments to vendors, venue rental, and equipment rental.~~

~~d. b.~~ The costs associated with acquiring a regional or national tourism-related meeting, including but not limited to bid fees, rights fees, sponsorships, payments to vendors, venue rental, and equipment rental.

~~e. c.~~ The costs associated with executing a local event or festival, including but not limited to payments to vendors, payments to speakers or entertainers, venue rental, and equipment rental for new events or existing events in Iowa in order to augment the event.

**42.6(3) *Ineligible expenses.*** Expenses that are not directly related to the implementation of a tourism-related marketing ~~project or a~~ initiative, meeting, ~~an~~ or event ~~or a professional development project~~ will be deemed ineligible. Ineligible expenses include but are not limited to vertical infrastructure; staff salaries and wages; equipment and software; solicitation efforts; lobbying fees; items that are purchased for resale; prizes given to participants or event/festival attendees; alcoholic beverages; internships; all travel, meal and lodging costs of applicant staff or the applicant's contractor; projects that receive funding from the authority's regional sports authority district program; marketing programs already subsidized by the authority including, but not limited to, advertising in the Iowa travel guide or participation in the cooperative partnership program; or a project of an Iowa tourism region.

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